
IN THE
United States
Circuit Court of Appeals,
FOR THE NINTH CIRCUIT.

Francis M. Townsend, Milon J. Trumble and Alfred J. Gutzler, doing business under the firm name of Trumble Gas Trap Co.,

Appellants,

vs.

Lorraine Corporation, a corporation,

Appellee.

APPELLEE'S BRIEF.

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No. 6076.

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APPELLEE'S BRIEF.

Appellants Are Incorrect in Referring to the Order Appealed From as in Effect a "Final Adjudication."

This is an appeal in a patent suit from an order of the District Court at Los Angeles (Judge James) refusing to grant a preliminary injunction. [Opinion of the Court, R. 143.]

As an apparent bid for relaxation of the rule that the grant or denial of a preliminary injunction is largely discretionary with the trial court and should not be disturbed except for a clear abuse of discretion, appellants

on the first page of their brief urge that the decision appealed from is in effect a "final adjudication." Being only the denial of a harsh and dangerous provisional remedy—one which if improvidently granted may do great and irreparable injury to a defendant,—it is obvious that appellants are incorrect in such assertion of finality. What they mean is that the ground of non-infringement upon which the denial of injunction is based, going as it does to the merits, greatly discourages the further proceeding of a trial; and what appellants really desire to accomplish by this appeal is a reversal of the expressed grounds of the court's opinion rather than a reversal of the order appealed from itself.

We are sure that the grounds assigned by Judge James for his decision will be found correct, and, obviously, they are more than sufficient. The large interests jeopardized required a very thorough presentation before Judge James, and the matter was submitted after extensive oral arguments upon printed briefs. The grounds of Judge James' opinion were especially urged by us as a short-cut to the conclusion of what we believe will be recognized by this court as a most glaringly unwarranted suit. If the expressed conclusions of the trial court are adopted and approved by Your Honors there will be nothing further in this suit to litigate, and we shall invoke the power of this court to direct a dismissal upon affirmance of the order appealed from.

It will be later seen, however, that defendant relies upon other equally strong defenses going to the merits, not referred to in the opinion accompanying the order appealed from; as well, also, upon several of what we believe will be recognized as conclusive bars to a preliminary injunc-

tion, such, for instance, as laches for over a year after knowledge of certain of the acts of defendant complained of before instituting suit and making application for injunction; uncontroverted facts establishing even on plaintiffs' theory a most trifling trespass—only two alleged infringements, and those (the subject-matter relating as it does to parts within a closed receptacle) concealed from the public (no threats to continue) *out of thousands of quite similar devices made and sold by defendant and admittedly not infringements*, and upon which defendant's business in the manufacture and sale of such devices aggregating approximately \$67,000.00 per month (the largest business of this kind in the world), has been built up after many years of effort, together with clear and uncontroverted evidence of financial responsibility of defendant to respond in any possible amount of damages which might ultimately be decreed if the charge of the complaint should be finally sustained.

To reverse the order, therefore, requires a finding of gross insufficiency (abuse of discretion), not only of the grounds expressed in Judge James' opinion, but of all other defenses above briefly outlined.

ONLY FOR MANIFEST ABUSE OF DISCRETION SHOULD THE REFUSAL OF THE TRIAL COURT TO GRANT THE DANGEROUS REMEDY OF PROVISIONAL INJUNCTION BE DISTURBED.

The grant or denial of a preliminary injunction is established by a long line of decisions to be discretionary with the trial court, and not subject to disturbance on appeal except for a clear abuse.

The presumption, of course, is in favor of the trial court's decision: and appellants' burden consists not

merely of raising a possible doubt as to the correctness of the grounds assigned by the trial court, but that of convincing this court that there is no support for the wide discretion exercised in the denial of the writ.

This court (Judges Gilbert, Hunt and Rudkin) in the case of *Owen v. Perkins Oil Well Cementing Company*, No. 4275, by its decision rendered November 10, 1924, and reported 2 F. (2d) 247, quoted approvingly the language of the Court of Appeals for the 8th Circuit in *American Grain Separator Company et al. v. Twin City Separator Company*, 202 Fed. 202, as follows:

“The granting or dissolution of an interlocutory injunction rests in the sound judicial discretion of the court of original jurisdiction, and, where that court has not departed from the rules and principles of equity established for its guidance, its orders in this regard may not be reversed by the appellate court without clear proof that it abused its discretion. The question is not whether or not the appellate court would have made or would not have made the order. It is to the discretion of the trial court, not to that of the appellate court, that the law has intrusted the power to grant or dissolve such an injunction, and the question here is: Does the proof clearly establish an abuse of that discretion by the court below?”

Your Honors also adopted in the *Owen* case, *supra*, by its quotation, the law as stated by the Circuit Court of Appeals of the 7th Circuit in the case *City of Chicago v. Fox Film Corporation*, 251 F. 883, as follows:

“A *pendente lite* injunctive order will not be reversed unless there was an abuse of discretion; and this can only appear from an obvious misunderstanding of the facts or a palpable misapplication of well-settled rules of law on the part of the trial judge.”

Of course, if there is any ground upon which the trial court's decision might properly have been based there is no abuse of discretion. Even disagreement with the trial court's views on one of the defenses going to the merits will not establish an abuse of discretion.

In the case of *Stearns-Roger Mfg. Co. v. Brown*, 114 Fed. 939, the Circuit Court of Appeals for the 8th Circuit said:

“The primary question on an appeal from an order granting a temporary injunction is whether or not the injunction evidences an error in the exercise of its sound judicial discretion by the court which issued it. There are established legal principles for the guidance of that discretion, and where they are violated the action of the court below should be corrected. But, unless there is a plain disregard of some of the settled rules of equity which govern the issue of injunctions, the orders of the courts below on this subject should not be disturbed. The law has placed upon these courts the duty to exercise this discretion. It has imposed upon them the responsibility of its exercise wisely, and has left them much latitude for action within the rules which should guide them; and, if there has been no violation of those rules, an appellate court ought not to interfere with the results of the exercise of their discretion. The right to exercise this discretion has been vested in the trial courts. It has not been granted to the appellate courts, and the question for them to determine is not how they would have exercised this discretion, but whether or not the courts below have exercised it so carelessly or unreasonably that they have passed beyond the wide latitude permitted them, and violated the rules of law which should have guided their action.”

The cases are very numerous in recognizing and applying the law under discussion and it will be sufficient merely to call Your Honor's attention in conclusion under this head, to the decision of this court in *Kings County Raisin and Fruit Company v. United States Consolidated Raisin Company*, 182 Fed. 59, where it was said:

“The granting or refusing of a preliminary injunction in such a suit ordinarily rests in the sound discretion of the trial court, and the review thereof by an appellate court is limited to the inquiry whether there was abuse of discretion in granting the writ. This rule has been so often applied by this court, and is so well established by precedent, as to require the citation of no authorities. It is sufficient to refer to the language of Judge Jackson in *Blount v. Societe Anonyme du Filtre Chamberland Systeme Pasteur et al.*, 53 Fed. 98, 3 C. C. A. 455.

“The object and purpose of a preliminary injunction is to preserve the existing state of things until the rights of the parties can be fairly and fully investigated and determined upon strictly legal proofs and according to the course and principles of courts of equity. The prerequisites to the allowance and issuance of such injunction are that the party applying for the same must generally present a clear title, or one free from reasonable doubt, and set forth acts done or threatened by the defendant which will seriously or irreparably injure his rights under such title unless restrained.”

See, also, the decision of this court in

Jensen Can-Filling Machine Co. v. Norton, 64 Fed. 662, 12 C. C. A. 608, and

Southern Pacific Co. v. Earl, 82 Fed. 690, 27 C. C. A. 185.

SEVERAL BARS TO PRELIMINARY INJUNCTION WHICH, WE URGE, AUTHORIZE AFFIRMANCE OF THE ORDER APPEALED FROM WITHOUT THE NECESSITY OF PASSING UPON THE MERITS.

There is no showing of possible or prospective irreparable injury: even on plaintiffs' theory the alleged trespass is insignificant—Two devices only out of thousands of quite similar character admittedly not infringements made over a period of seven years.

Gas traps are large contrivances selling at prices ranging from \$450.00 to \$2350.00, easily kept track of on any possible accounting.

The charge of infringement relates only to the angle of a baffle plate concealed within the trap where the chances are a thousand to one that the purchaser will ever know of it.

There is no attack upon the financial responsibility of defendant; on the contrary, positive evidence that defendant is financially able to respond in any possible amount of damages is not controverted.

Plaintiffs waited long after knowledge of alleged infringement before filing the complaint. If they were not irreparably injured by their own voluntary delay, it is reasonable to suppose that a further time to permit of an orderly trial in this case will not result in any injury that cannot be adequately redressed by an award of damages.

In a decision by former Judge Bledsoe in the case of *Martin Iron Works v. W. A. Waterman*, B-87 Equity,

in the United States District Court at Los Angeles, in denying a motion for preliminary injunction the court said:

“The use of injunction in advance of a hearing on the merits is to be justified and to be taken advantage of only in the face of a *tremendous exigency*, an *extraordinary event*, an *obvious* injustice to accrue if something is not done immediately * * *. In a patent case an injunction prior to hearing is granted only where the court is *persuaded from a very obvious inspection of the devices in controversy* * * * that the injunctive arm of the court must be used * * *.” (Italics ours.)

In the case of *Standard Elevator Company v. Crane Elevator Company*, 56 Fed. 718, a decision by the Circuit Court of Appeals for the Seventh Circuit (Judges Gresham, Woods and Jenkins) the court near the bottom of page 19 said:

“The object of the provisional remedy is preventative largely and it will not be granted if it is more likely to produce than to prevent irreparable mischief. If the controversy between the parties be substantial and not as to the alleged infringer colorable merely, courts of equity are not disposed to adjudicate upon the rights of parties otherwise than according to the approved usages of chancery when the defendant’s rights might by the issuance of a writ of injunction be put in great jeopardy—and the complainant can be compensated in damages.”

The application for preliminary injunction in the case at bar was originally based upon the manufacture by defendant of only six gas traps, each characterized by having a covered trough-like extension of the oil and gas inlet pipe, which trough extended spirally around the inner surface of the shell, as illustrated in Figs 1 to 6, inclusive,

of the blue-print Exhibit A to the affidavit of William McGraw (which affidavit is found beginning R. 16, and which blue-print exhibit is found somewhere in the five copies of various exhibits filed on behalf of plaintiff under stipulation dispensing with their printing; but to the exact location of which we cannot definitely refer for want of the service of a copy). Later photostats in this brief, however, will remove any doubt as to construction.

On the hearing, however, the charge *as to all of these forms except Figs. 5 and 6* was withdrawn, so that the only forms at present charged to infringe are those of said Figs. 5 and 6.

It is not necessary for immediate purposes to consider details of differences of construction between the four forms finally admitted not to be infringements and the two remaining. It may be noted, however, in passing that there is a great similarity in what will later more clearly be shown to be the pertinent features of construction between the two forms charged to infringe and the four withdrawn from the charge.

The very fact of the withdrawal of 4/6 of the charge of infringement—the admission that four out of the six forms originally complained of do not infringe—shows the hair-splitting and uncertain theory of plaintiffs' case, and justifies without mere affirmance of a wide latitude to the trial court's discretion. Incidentally, in finally relying upon only two out of the six forms, appellants' counsel discredits 2/3 of the testimony of their own expert, John D. Hackstaff, who apparently was just as sure that the four now admittedly non-infringing traps trespassed on the Trumble patent in suit as he was of the two finally settled upon.

However, the point we are now endeavoring to present and emphasize is that *only two traps are charged to infringe*—a trifling basis for a cry of irreparable injury.

It is obvious that the charge of infringement must stand or fall upon the exceedingly slight differences between the four forms withdrawn from the charge and the two remaining. The slightness of the differences between those alleged to infringe and those admitted not to infringe, and the insignificant volume of alleged infringement, we urge precludes any inference of irreparable injury sufficient to sustain the grant of a preliminary injunction. Such is not “a tremendous exigency” or “an extraordinary event” or an “obvious injustice” within the meaning of Judge Bledsoe’s decision in the case of *Martin Iron Works v. Waterman*, quoted *supra*. This court cannot in the case at bar be “persuaded from a very obvious inspection of the devices in controversy” (to use more of the language of Judge Bledsoe in the decision last referred to) that there is infringement which must immediately be stopped by the injunctive arm of the court or else irreparable injury will result,—particularly in view of the positiveness of the trial court’s opinion on the order appealed from that there was no infringement.

The fact that there were only two of the forms finally relied upon as alleged infringements appears from the affidavit of William McGraw on behalf of plaintiffs (see beginning middle of R. 20 as to the circumstances surrounding said Figs. 5 and 6).

Now, in the affidavit of Mr. Lorraine, particularly at R. 79, it appears that gas traps sell for prices ranging from \$450.00 to \$2350.00, and that defendant corpora-

tion sells on an average \$67,000.00 worth of traps per month. Recurring again to the affidavit of William McGraw on behalf of plaintiffs, it appears (beginning R. 18) that the six traps forming the basis for the order to show cause were constructed and seen by plaintiffs at intervals beginning August 20, 1928, to about the same time in 1929, the two forms finally settled upon as alleged infringements having been observed by the plaintiffs the latter part of the year. Thus it appears that after observation of defendant's operations for a year, and the tentative selection of six traps originally complained of, plaintiffs finally admitted that only two traps made during a year could, under any theory, sustain the charge, and during this time defendant was putting out \$67,000.00 worth of traps per month—large contrivances easily followed and kept track of, all presumably stamped the Lorraine Company's name plate (as were all the traps referred to in the McGraw affidavit).

The decision of Your Honors in the case of *Lorraine v. Townsend* (290 Fed. 54) is dated June 4, 1923—nearly seven years ago. During these years, with defendant doing the largest business in the sale of gas traps in the world, plaintiffs found only two traps made less than a year ago to complain of. (*And the trial court is most positive in its opinion that these do not infringe.*) Near the bottom of R. 93 Mr. Lorraine testifies (and his statements are not controverted):

“I have never been secretive about disclosing the construction of the models and design of my traps. They have been freely advertised and their interior construction shown to prospective purchasers and others, and I have always given full information to plaintiffs concerning their construction and design.”

Two traps out of many thousands—the utmost frankness and good faith in fully disclosing features of construction to plaintiffs. Surely, even assuming possible infringement, this insignificant trespass is too trifling to form the basis of a preliminary injunction.

The following testimony of Mr. Lorraine (middle of R. 94) is also uncontroverted:

“The defendant Lorraine Corporation is amply able financially to pay all possible damages which might finally be decreed against them in case infringement should be found. In case of a final decision in favor of plaintiffs in this case, plaintiff would be entitled to the recovery of a money judgment, but in the event a preliminary injunction should be granted on the present motion, possible recovery on plaintiffs’ injunction bond could not repair the injury done to the goodwill of defendant company, * * *.”

Why should plaintiffs so earnestly desire a preliminary injunction based upon only two traps out of thousands made and sold by defendant during the six years following the decision of this court construing the Trumble patent?

The answer is simple: any kind of an injunction, however limited, would assist defendant in purloining some of Lorraine’s \$67,000.00-per-month business. It would injure his good will. As a practical matter it is difficult—often impossible—to explain to a prospective purchaser that the injunction covers only a rivet in the top of the trap and that defendant has omitted the rivet, and therefore does not come within the scope of the injunction. The prospective purchaser only knows that there has been found by the court something in a defendant’s de-

vice to criticize, and this greatly hinders sales and frequently throws business into the hands of the suit-maintaining competitor. It is also impossible to control the subtle ways in which the scope of an injunction may be represented or misunderstood. Thus it is that the court's injunction is often used—not to prevent irreparable injury to plaintiff—but to injure the good will of a defendant—simply as a business-getter. In case of a large business like that of Lorraine, counsels' fees and court costs incurred by plaintiffs in such a gamble are often well spent,—if business results can be accepted as a criterion.

Plaintiffs do not deny the statements of Mr. Lorraine's affidavit (middle of R. 93) as follows:

“I know from my past experience in litigation involving the Trumble patent in suit that any preliminary injunction which might be granted by this court will be advertised in every possible way in order to injure the good will of defendant as much as possible. To the confusion of the trade and public the real scope of the Trumble patent in suit will be subtly misrepresented in ways impossible of control by the court. Any bond which may be given by plaintiffs cannot possibly be adequate to cover the resulting irreparable injury which must inevitably follow the issuance of such an injunction, as sought by the present motion.”

We urge again the extreme applicability of the law as stated by the Circuit Court of Appeals for the Seventh Circuit in *Standard Elevator Company v. Crane Elevator Company*, quoted *supra* as follows:

“The object of the provisional remedy is preventative largely and it will not be granted if it is more likely to produce than to prevent irreparable mischief. If the controversy between the parties be

substantial and not as to the alleged infringer colorable merely, courts of equity are not disposed to adjudicate upon the rights of parties otherwise than according to the approved usages of chancery when the defendant's rights might by the issuance of a writ of injunction be put in great jeopardy—and the complainant can be compensated in damages."

The court in the case just above referred to also said:

"It would * * * be most unsafe to determine this controversy without full and orderly proof. It would be most unwise to imperil and presumably wholly ruin the large capital and interests involved in the business of the defendant by arresting the enterprise in advance of a final decree when the damages which the appellee may sustain can be compensated in money."

Referring briefly to the defense of laches: an examination of the affidavit of William McGraw, for plaintiff, shows that first of the six traps originally relied upon to secure the order to show cause (four of which were afterwards withdrawn) was seen by the defendant over a year before suit filed or application for injunction was made. Under the theory of the case as first presented to secure the order to show cause, plaintiffs stood by for a year before taking any action to prevent what they in their bill represent was "irreparable injury." True, the last two traps finally relied upon were made only shortly before the suit was filed, but they are too closely similar to the four withdrawn, the first of which was made a year before, to be not affected by the long delay. This laches is explained and referred to in the affidavit of Mr. Lorraine (near top of R. 94).

To conclude under this head: even without consideration of the merits, we urge that the foregoing circum-

stances support a wide discretion of the trial court in denying the injunction, and such circumstances are such as to make a finding of abuse of discretion untenable.

A MOST IMPORTANT PRELIMINARY LIGHT ON THE MERITS.

NARROWNESS TOO NEAR THE VANISHING POINT TO BE MEASURED IS THE SCOPE OF THE PATENT IN SUIT AS HERETOFORE ADJUDICATED—A SCOPE ONLY SUFFICIENT TO COVER OUT OF MANY THOUSANDS OF TRAPS MADE BY DEFENDANT A SINGLE, EXPERIMENTAL, ABANDONED FAILURE.

Nearly \$1,000,000.00 a year represents the volume of defendant's business—a business which extends to every oil field in the world—in the manufacture and sale of devices of the same general character as that of the patent in suit.

Defendant has experimented with scores of different forms and modifications of gas traps, and has made and sold since the grant and issuance of the Trumble patent in suit thousands of such devices.

Out of this immense volume of business only A SINGLE TRAP in all prior litigation involving the patent in suit, has ever been found to be an infringement, and that trap (Towner No. 3) was only made experimentally, turned out to be a failure, and was abandoned.

As the court will see by reference to its opinion in *Lorraine v. Townsend*, Case No. 3945, reported 290 Fed.

54, this court (near the bottom of page 59) found the only infringement to consist of the making of a single trap described as Towner (Tonner) No. 3. That there was only one of such traps made and that it was purely experimental and after being tried out was abandoned as a failure is proven by the testimony of Mr. Lorraine given during the trial of the case in March, 1922. This testimony appears at page 253 *et seq.* of the record of Case No. 3945 (to which we are authorized by stipulation in the case at bar to refer). Mr. Lorraine's sworn statements to the same effect are repeated on cross-examination at R. 314. After the finding of infringement by this single Towner trap, the case was regularly referred to a master to take an accounting, and such proceedings languished many months without any action, and during such time and since there has been no attack upon the truthfulness of Mr. Lorraine's testimony as to the experimental, unprofitable, and isolated nature of this abandoned Towner No. 3 failure.

After the interlocutory decree of Judge Wolverton (reversed, as we have seen, as to all except Towner No. 3), contempt proceedings were instituted against David G. Lorraine, predecessor of this defendant, charging violation of Judge Wolverton's injunction by the manufacture and sale of what was known as Lorraine Model 16 Trap. The defendant, however, was purged of the alleged contempt—and said Model 16 was found not an infringement of Judge Wolverton's decision, *broad as it was, before reversal by this court.* The opinion of the court (Judge Bledsoe) finding Model 16 not an infringement is found R. 142 of the case at bar.

At R. 77 Mr. Lorraine's affidavit in opposition to the motion, the propriety of the denial of which constitutes the subject-matter of this appeal, is found. Other important facts of our black letter heading are in this affidavit established; and they have not, as we have stated, since been controverted; namely, the large number of different forms of traps made and experimented with by Mr. Lorraine (concededly not infringements), the constant change in details of design in an endeavor to meet all conditions as cheaply as possible; the great growth of an international business of defendant in the manufacture and sale of these devices until it now approximates \$67,000.00 per month.

The foregoing has been intended to show in a most general way high lights of the status and scope of the patent in suit. With the net result of prior litigation being that the patent is only broad enough, of all the traps made by defendant, to cover an isolated experimental failure, we urge that this court should be careful now, sixteen years after the alleged invention of Trumble, not to construe it to cover the latest success—the outgrowth of sixteen years of development in this art.

IT IS NOT TRUE THAT THE VALIDITY OF THE PATENT IS RES ADJUDICATA.

The *res adjudicata* asserted, however, only goes to our attacks upon validity, not to our denial of infringement.

Defendant Lorraine Corporation was not a party to the prior suit adjudicating the Trumble patent, and did not in fact participate in the defense of said suit,

notwithstanding the somewhat misleading condition of the pleadings—which are corrected by other admitted facts or uncontroverted records.

Plaintiffs in this case filed an original bill. If this defendant had been bound by the former injunction and decree, a contempt proceeding would have been the proper procedure. By filing an original bill plaintiffs admit that defendant is entitled to avail itself of any new defense, and the sworn answer used on the present motion did set up new and additional defenses in response to issues presented by such bill.

Inasmuch as invalidity is very clear, we rely strongly upon this defense, although if the trial court's finding of non-infringement is sustained and this case ordered dismissed on the affirmance of the order appealed from, it may not be necessary for the court in its opinion to pass upon this important defense.

The quotation from the pleadings set forth in appellants' brief, page 4, does not sufficiently disclose the facts and is therefore misleading: the suit was pending for a long *long* time without any action whatever on an accounting, to prove and recover on behalf of plaintiffs' profits and damages resulting from the making of the single, experimental, abandoned, profitless Towner No. 3 failure, on which experiment defendant suffered only a loss—the only infringement found—obviously a foolish procedure.

The only "participation" of defendant corporation, if it can be possibly designated as such, consisted of assuming and paying, as consideration for the transfer of the business to it, certain of Lorraine's individual

expenses in connection with the suit, *long after the case had been tried, decided, appealed, briefed, argued, and submitted for the decision of this Court of Appeals.*

Although two supplemental bills charging continued or additional infringements were filed at intervals in and during the pendency of proceedings against Lorraine individually, the second three years after the trial, *the charges of infringement were always against David G. Lorraine individually and never against the Lorraine Corporation.*

The Lorraine Corporation at the time of its organization (May 1, 1923) took over what is conceded in this proceeding to have been the largest organization for the manufacture and sale of gas traps in the world, and continued to take business away from plaintiffs in the constant growth of that business, *concededly without infringing the Trumble patent in suit*, for the remaining three years that the suit languished on an outrageous accounting proceeding—not to recover gains and profits, but to recover what Lorraine *lost*, apparently, on the abandoned Towner No. 3 experiment. (Suit was dismissed per stipulation, April 30, 1926.) And during this competition which was daily demonstrating the utter uselessness of Trumble's alleged invention, *no attempt was made to join the Lorraine Corporation as a party to the suit*, and not even the remotest suggestion was made that any of the traps upon which this highly successful competing business was based, constituted an infringement of the patent in suit. There was clearly no reason why the Lorraine Corporation should have employed attorneys to defend itself in such suit, and it did not participate in any manner whatsoever in such defense.

The accuracy of the above statement can be readily checked by reference to the judgment roll of E-113 Equity, the record upon which this court's decision No. 3945, Lorraine v. Townsend, was based; the complaint was filed in January, 1921; trial commenced March 22, 1922, and was concluded March 28, 1922. The interlocutory decree of Judge Wolverton was entered September 29, 1922; appeal was thereafter perfected and transcript on appeal filed with the clerk of the United States Circuit Court of Appeals in November, 1922. *The Lorraine Corporation did not come into existence until May 1, 1923.* This last date appears in the record in the case of David G. Lorraine and Lorraine Corporation v. Townsend *et al.*, F-80 Equity, in the District Court, in Plaintiffs' Exhibit No. 2, Articles of Incorporation, which was called to the judicial notice of the trial court and we do not believe will be controverted.

But overlooking the facts that the Lorraine Corporation did not come into existence until eight months after entry of the decree by which it is now asserted to be bound and that not a single device found to be an infringement was taken over at the time of its organization or was thereafter ever made, used, or sold by the defendant corporation; and assuming that payment of a small amount of Lorraine's individual expenses on an accounting upon which there could have been no possible recovery and which, consequently, was so trifling that it was finally abandoned—Granting for the sake of argument that such facts make the corporate defendant in effect a party to the suit and bound by the adjudication, we assert that the essence of such adjudication was not that the

Trumble patent was valid as covering a steam boiler or a bicycle or ANY KIND of an oil and gas separator, but was only valid as covering a single abandoned experiment, namely, Towner No. 3 Trap.

The adjudication did not indicate that the Trumble patent could be stretched to cover forms of devices bearing no resemblance whatsoever to the Trumble Drawings or that during any such attempted stretching process prior art could be ignored.

The mere finding by a court that a patent is valid is no indication whatsoever of its scope. Frequently patents are held valid, but so extremely narrow that only a "Chinese copy" of the device shown in the specifications and drawings could be found an infringement.

When the defendant set up in prior litigation the defense of invalidity of the patent in suit, *it did so with particular reference to the devices charged to infringe*; if it had been asserted in such prior litigation that traps having a covered trough-like extension of the inlet pipe into the separator, that is to say, the inlet pipe of Cooper, for instance, made square and run circumferentially and spirally around the inside of the trap, were infringements, we certainly would have made other attacks in such litigation upon the validity of the Trumble patent as covering such constructions. *Such issues were not raised in prior litigation because not presented.* They were not passed upon, and consequently the decision is not *res adjudicata* as to any such subject-matter.

But certainly the Lorraine Corporation is not bound by such adjudication.

The filing of an original bill on behalf of plaintiffs against defendant Corporation presenting for joinder not only issues of infringement but those also of validity, instead of instituting contempt proceedings against said corporate defendant for alleged violation of the perpetual injunction granted in the decree against Lorraine, constitutes an admission on behalf of plaintiff that the decree against Lorraine individually is not *res adjudicata* as against the corporation.

Apparently not much reliance is placed in the soundness of the argument suggesting that the Lorraine Corporation is bound by a decree against Lorraine individually (which decree was entered eight months before the corporation came into existence); so plaintiffs file an *original bill* presenting the usual issues in patent causes for joinder, *i. e.*, those of *invention, novelty, utility, and scope*. The subpoena required defendant to *answer* said bill, which necessitated a joinder of issues thus presented; and defendant corporation *did* join such issues in a sworn answer, which is used as one of the affidavits in opposition to the present motion. Under the theory now first asserted in plaintiffs' reply brief, plaintiffs have a *perpetual* injunction against defendant corporation. Why, therefore, order defendant to join issue on validity, and why apply for a new and only *temporary* injunction?

If defendant Lorraine Corporation was in privity with Lorraine individually as regards the subject-matter of the prior suit, of course such corporate defendant would be bound by the perpetual injunction entered against Lorraine individually, and any further infringement would be ground for contempt proceedings. Surely, the corpo-

rate defendant cannot be ordered by the subpoena of this court to join issue on an original bill and then when it has done so in effect be treated on certain of the issues joined as though it had allowed the case to go by default for failure to answer.

We consider the argument on behalf of plaintiff attacking the right of the corporate defendant to offer evidence on the issues of validity (joined on plaintiffs' invitation) to be preposterous. A is sued for trespass and after final decision and while the case is hanging on for three years to determine whether 6¢ should be the amount of the nominal damages or whether 3¢ is sufficient, B agrees to pay A's costs and fees incident to such trifling accounting. Five years later the same plaintiff sues B for an entirely different alleged trespass. Is there any such privity as should preclude B from presenting every defense he may have to the charge? Before one can be bound by a decree, he must be either a party to the suit in which the decree was entered or in privity with a party. This, in brief, is the substance of the decisions mentioned on page 5 of appellants' brief. There is nothing remotely resembling privity between Lorraine and the Lorraine Corporation relating to the subject-matter of the adjudication in the suit against Lorraine individually, as there was no transfer by Lorraine individually to the corporate defendant *of even a single trap* which had been held to constitute an infringement upon the Trumble patent in suit. The very first suggestion that the Lorraine Corporation, as the successor of Lorraine interests or otherwise, infringed the Trumble patent in suit is presented in the original bill filed in this case, and there

is no allegation in either complaint or affidavits on behalf of plaintiff in support of the present motion or otherwise which could possibly authorize any inference of privity of the Lorraine Corporation with Lorraine in the subject-matter of such prior adjudication.

**ASSUMING, FOR THE SAKE OF ARGUMENT,
VALIDITY, WHAT IS THE SCOPE OF THE
TRUMBLE PATENT IN SUIT?**

We cannot pass upon the issue of infringement until we have answered this question. The decision of this court in *Lorraine v. Townsend*, No. 3945, reported 290 Fed. 54, takes us far toward a clear and conclusive answer, and moreover, that decision without further evidence is all that is required to most clearly exclude as infringements the devices now complained of.

But while such decision contains a most thorough consideration of much of the pertinent prior art, there are several other references, now made part of the record, in the light of which we are confident that the microscopic narrowness of the Trumble patent, as heretofore construed (limited as it is to a single failure), will merge into nothingness.

The trial court considered this prior decision carefully and most conservatively based its decision upon the scope there defined, apparently without reference to other conclusive evidence and other angles of the evidence heretofore considered which still further narrows the alleged invention to the vanishing point.

The conclusion of the trial court after such consideration [Opinion, R. 143-145] was that the only infringe-

ment found by this court (the abandoned failure of Towner No. 3) is a "border line device as measured by the Trumble invention" and that "it comes within the field with little to spare" and that "it should be affirmed we think that the extreme range of equivalents possible to be allowed to the Trumble patent was reached in holding that Towner No. 3 infringed."

In passing, we call attention of this tribunal to the positiveness of the opinion of the trial court as expressed in the foregoing quotations, urging that even if Your Honors should be in doubt as to the merits of our defense of non-infringement, the wide discretion of the trial court based upon such a clear and positive view in refusing to apply a most harsh and dangerous remedy should not be disturbed.

Note particularly the last paragraph of Judge James' opinion, reading:

"In my opinion the apparatus (alleged infringements in the case at bar) is not reasonably an equivalent of Trumble's use of the oil-spreading baffle plates. I think to hold differently would be to allow a claim for the broadest kind of equivalents, far beyond that permitted by a fair interpretation of the decision of the Circuit Court of Appeals."

Walker on Patents (6th Ed.), Vol. 1, Sec. 704, p. 786, says:

"A preliminary injunction will not be granted when defendant is responsible and a substantial doubt of infringement exists, or where the complainant's right is doubtful."

In *Standard Elevator Company v. Crane Elevator Company*, quoted *supra*, the court near the bottom of page 19 (56 Fed.) has said that *infringement must be beyond*

a reasonable doubt, and on page 720 the court comments upon the *ex parte* nature of the application and the consequent lack of opportunity for cross-examination, saying, "scientific expert evidence is not wholly reliable when not subjected to the searchlight of intelligent cross-examination."

Surely the positive opinion of Judge James, without any examination whatsoever by Your Honors of the merits, is sufficient to show the existence of *at least* a reasonable doubt. Again, if the grant or withholding of the writ is *discretionary*, who should have the doubt, the trial court or this tribunal? If an examination of the opinion of the court below shows a good faith doubt, that state of mind of the trial court should govern, otherwise discretion is taken away. Here we have the strongest conviction expressed by the trial court as a ground for a safe and careful exercise of discretion. We submit that on these considerations alone the order appealed from should be affirmed.

It Is Our Purpose Under This Head to Endeavor to Aid the Court in a Study of Prior Decisions Interpreting the Trumble Patent in Order That the Soundness of Judge James' Opinion May Be Clear Beyond a Reasonable Doubt, and That Your Honors May, on Affirmance of the Order Appealed From, Direct a Dismissal of This Suit.

In the first place, while there are four claims of the Trumble patent in suit, it should be noted that their real essence is quite simple: a flowing film of oil on backing surfaces and pressure. Such is quickly seen to be the substance of the claims, for elements such as an expansion chamber, gas and oil inlets and outlets, manifestly,

must be part of any oil and gas separator; and obviously, no novelty or invention could be predicated on their presence separately or in combination: the features or elements which constitute the real essence of alleged invention, as a reading of the prior decision together with the patent will show, is simply a flowing film on a backing of some kind and pressure.

Now it is also to be noted that pressure in said decision interpreting the Trumble patent, is found to be *a natural incident* of all gas traps. What is left, then, upon which to predicate patentable novelty and invention? *Nothing but a flowing film of oil on backing surfaces.*

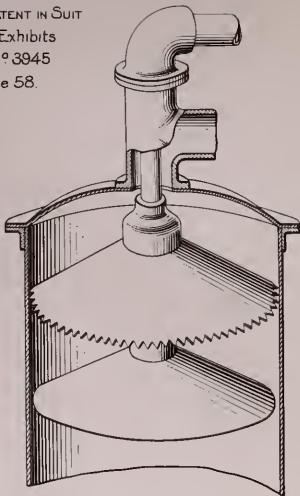
It takes only a glance at but a few of the prior art devices to be convinced that the flowing of a film of oil over a surface in a gas-trap was very old long prior to Trumble. Notice particularly the remarks of this court middle of page 57 of 290 Fed., where, considering the Cooper patent, this court said:

“That the Cooper process was under pressure there can be no doubt. The patentee expressly points out that a high degrees of pressure is maintained in his device, by reason of its organic connection with the pressure system, and surely the filming is much more complete than in appellant’s apparatus.”

It is immediately quite obvious from a consideration of Cooper alone that the essence of supposed invention of Trumble cannot be defined as residing broadly in the film of oil, on *any kind* of a backing wall or plate, but if it can be discovered or defined—if it exists at all—it must be limited closely to the structure illustrated in the drawings of Trumble, that is to say, one in which the oil is received on the apex of a conical spreader, evenly

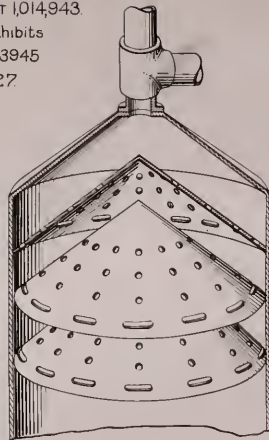
distributed over that spreader, and by it caused to flow to the side walls over which it descends, still in a film, to the oil pool below, theoretically at least, from the time of its entrance into the trap to the time it reaches the oil pool in a thin, unbroken film spread over the entire surface of cone and wall. We must further limit this definition by the requirement that the spreader plate must be imperforate, so that no oil drops down through any holes, otherwise ke cannot possibly escape the Bray patent No. 1,014,943, Book of Exhibits in case No. 3945, page 127.

TRUMBLE PATENT IN SUIT
Book of Exhibits
Case N° 3945
Page 58.



Differs from Bray only in having its conical spreader imperforate. Granted over Bray on an easily proven misrepresentation that the covering of the holes in Bray cone was an advantage.

BRAY PATENT 1,014,943.
Book of Exhibits
Case N° 3945
Pg. 127.

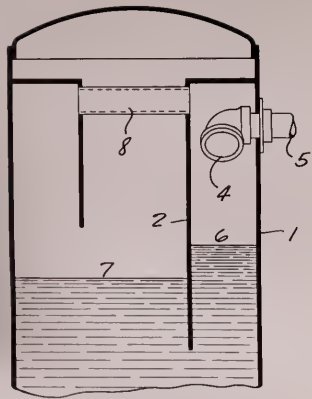


A complete anticipation of Trumble except for holes in the cone.
See discussion of this Court beginning on pg. 58, first paragraph, 290 Federal reporter.

At page 58, 290 Fed., this court considered fully the pertinence of the Bray reference with the result of limiting Trumble to an imperforate conical spreader plate. Near the bottom of the page last referred to this court implies as a ground for the finding of non-infringement by three of defendant's devices in controversy in that suit that the oil, while being spread under pressure, was spread "in a very different manner" from the Trumble patent.

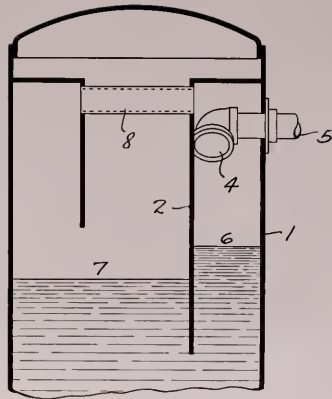
To summarize necessary conclusions from our foregoing partial consideration as to the scope of the Trumble patent: The Trumble patent does not cover any kind of spreading—even a complete spreading of the oil on the walls of the separator—but must be limited, if it can be sustained at all, to the spreading by the apparatus like that disclosed in the Trumble drawings, namely, a conical baffle plate, and this plate must be imperforate.

Now as a further checking of this scope let the court consider the forms of trap in said decision found by this court not to infringe. There were three of them, and they are correctly illustrated, even to scale, as will appear from the briefs in case No. 3945, by the following illustrations copied from said briefs:



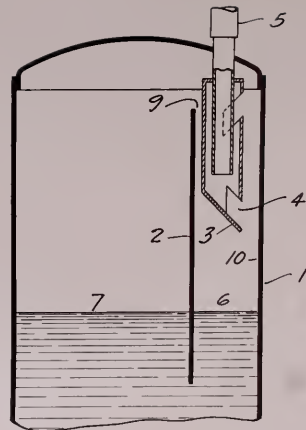
MODEL No. 2

DECISION OF JUDGE WOLVERTON AND C.C.A.
 FOUND NOT AN INFRINGEMENT



MODEL No 2 WITH THE SO-CALLED NIPPLE
 MACHINED OFF, SO AS TO "SIT CLOSELY
 AGAINST THE PARTITION WALL."

DECISION OF JUDGE WOLVERTON AND C.C.A.
 FOUND NOT AN INFRINGEMENT.

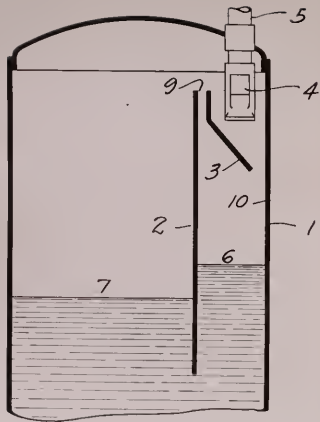


MODEL No 1

DECISION OF JUDGE WOLVERTON AND C.C.A.
 FOUND NOT AN INFRINGEMENT

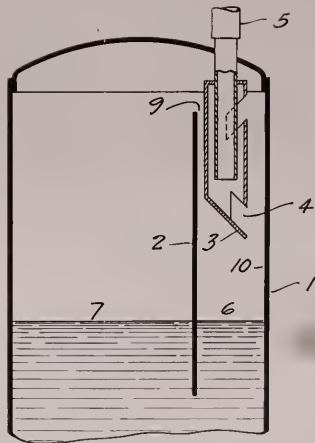


Now let the court compare Towner No. 3 found to infringe with the nearest approach to it found not to infringe:



TONNER No 3

DECISION OF JUDGE WOLVERTON AND C.C.A.
THE ONLY TRAP FOUND TO BE AN INFRINGEMENT



MODEL No 1

DECISION OF JUDGE WOLVERTON AND C.C.A.
FOUND NOT AN INFRINGEMENT

The only logical reason for finding infringement by Towner No. 3 was that the court was persuaded that the inclined plate of the first device found not to infringe was smaller than the corresponding plate at Towner No. 3, and that more of the oil flowed to the oil pool without being spread on the walls, and this clearly implies a finding that in order to infringe all the oil must be uniformly spread over the conical or inclined baffle plate and must by that plate or spreader be directed to the side walls, without falling or splashing to the bottom of the trap.

The foregoing would be consistent with the finding that MacIntosh patent No. 1,055,499, found in Book of Exhibits in Case No. 3945 at page 110, and considered middle of page 52, 290 Fed., in that :while the oil is thoroughly spread out in a thin film over a series of conical spreaders quite similar to Trumble, it is not by such spreaders directed to the side walls.

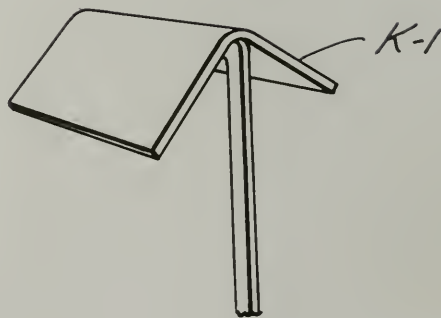
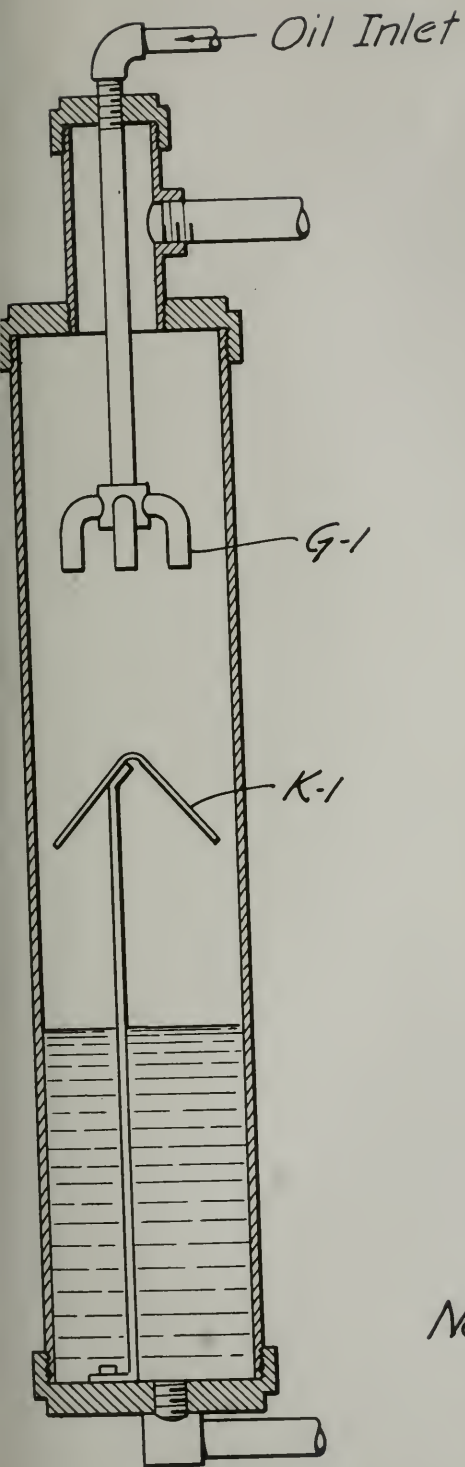
Now note that we have the narrowest possible theoretical invention as a result of the immediately preceding analysis: it only consists of plugging the holes in Bray's cones. It takes a lot of assumption to avoid seeing that there is no possible utility over the prior art in such a device—especially in view of the fact that all of the traps upon which Lorraine built his \$1,000,000.00 a year business have been excluded as infringements and have not even been contended to be such.

All the oil can be spread in a very complete film as in Cooper, and this is not the Trumble invention. All the oil is also spread in Model No. 2 with the nipple machined off, one of the devices found not to infringe by this court.

The complete spreading of the oil on the wall of the separator is not the criterion of infringement.

But let us now consider briefly one of the patents in the record of the prior case No. 3945, which, not being particularly emphasized by counsel, was apparently overlooked by this court in rendering its decision construing the Trumble patent, namely, Newman patent No. 856,088, found in the Book of Exhibits of case No. 3945 at page 140.

Referring to the illustrations on the following page: the oil entering through a single pipe at the top of the Newman separator, has its velocity reduced by being divided by four pipes G1 into four streams. It then falls in such four streams upon the wedged shaped spreader K1, is deflected to the side walls of the separator down which it flows to the oil pool below. (Remember that Your Honors have found that pressure is implied in all these separators—being a natural incident to the process.)



Newman #856,088

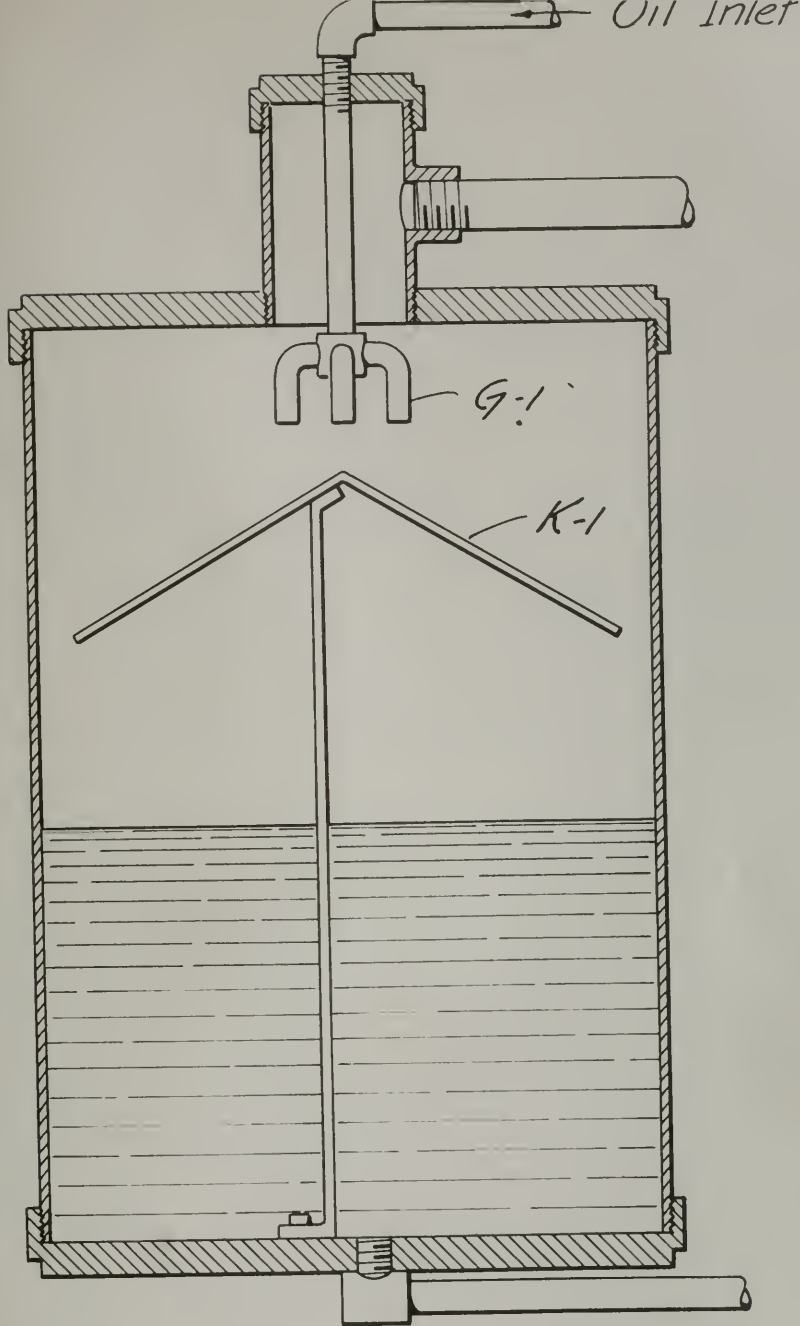
Drawings in patents are merely used to illustrate inventive ideas. See *Western Telephone Company v. American Telephone Company*, 131 Fed. 75, in the middle of page 77, where the court said:

“Patent drawings are not required to be working plans.”

In *Gold v. Gold*, 152 O. G. 731, 34 App. D. C. 152, the Court of Appeals for the District of Columbia said:

“Manifestly, Patent Office drawings are not working drawings. Their object is to aid in conveying to one skilled in the art the idea of an inventor . . . the angle of inclination could be varied to meet the requirement of service.”

With the idea in mind that patent drawings are not made to scale, but are merely used to illustrate an idea which one may use common sense in adapting to actual practice, suppose that Newman in the commercial form of his device had made it according to the proportions shown on the following page, *would it not still be the Newman invention?*

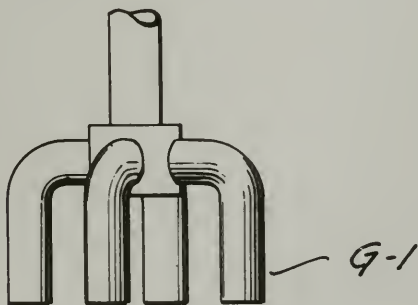
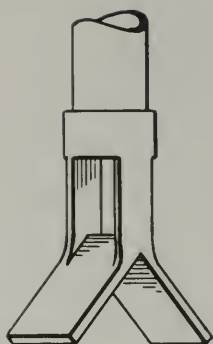


Newman #856,088
(Dimensions modified)

We earnestly insist that no sane or reasonable differentiation pertinent to the present charge of infringement can be drawn between Trumble and Newman, particularly in view of the decision of Your Honors finding Towner No. 3 an infringement.

As showing the strength of the argument last suggested, let the court compare the following prospective views Towner (or Tonner) No. 3 and Newman. We urge that it is most clear that if Towner (Tonner) No. 3 is an infringement, Newman must be an anticipation. If Towner No. 3 is the same as Trumble, what did Trumble "invent" over Newman?

Newman # 856,088
and Tonner #3
compared.



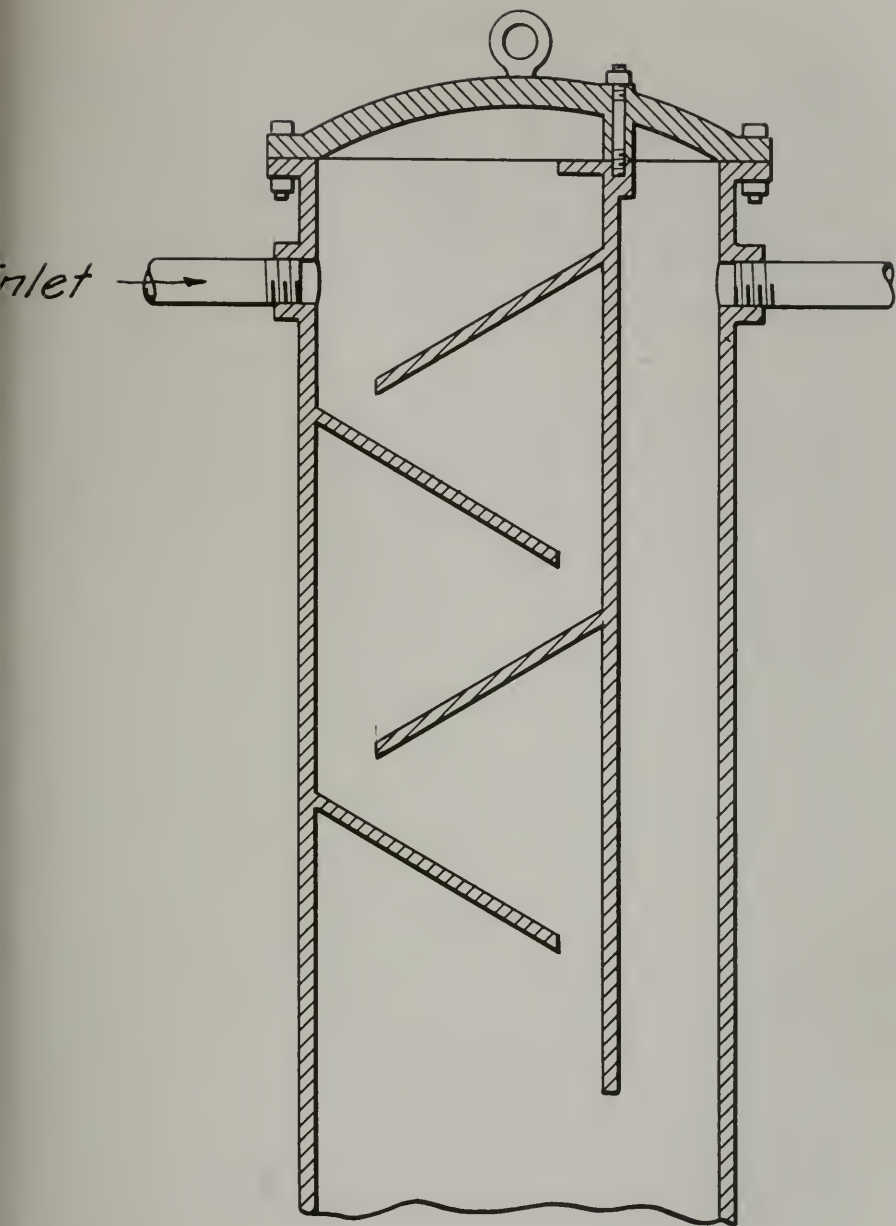
G-1



K-1

This is some of the evidence heretofore referred to not discussed in Your Honors' opinion which we urge erases the Trumble "invention" from the realm of realities. The slight differences in proportion, we urge, is not sufficient upon which to base a finding of invention.

The following illustration from the Taylor Patent No. 426,880 (Book of Exhibits in Case No. 3945), granted April 29, 1890, being a copy of Fig. 4 thereof, omitting immaterial details such as float, gauge glass, etc., shows the liquid coming into a separator and being immediately spread upon a series of inclined baffle plates in thin film. We earnestly urge that there is no invention in Trumble over Taylor. Any difference that might be suggested will be found a difference in words and not in substance.



Taylor #426,880

If Trumble Can Now Insist That His Patent Covers Widely Different Forms Bearing No Similarity in Appearance Whatsoever to the Drawing of the Trumble Patent in Suit, Why Is Not Cooper, or the Public, Including Defendant, as Much Entitled to a Diversity of Form, Dimensions, etc., of Such Prior Devices.

If Trumble can now, departing from his cones, insist that his patent covers anything by which velocity is reduced and the oil spread on the wall of the separator in a thin film, *why should not Cooper, Newman, Bray and others have an equal latitude?* What has Trumble done which should permit him to disregard entirely the form of the device shown and described in his drawing and specifications and endeavor to embrace within the scope of his alleged invention forms and relative dimensions which bear no resemblance whatsoever to the Trumble drawing?

Remembering again that the essence of the argument on this charge of infringement is that in the two traps of defendant finally selected, the oil is spread on the walls of the separator, its velocity being first reduced, let the court examine the following drawings of Fisher Patent No. 1,182,873, granted May 9, 1916, on an application filed November 20, 1913 (about a year before the filing of the Trumble application in suit). (Found in five copies of certain exhibits filed in lieu of printing under stipulation.)

The velocity of the incoming mixture in this Fisher patent is reduced by dividing it into four streams. These

four streams are then spread in films equa-distant over the walls of the separator down which it flows. *ALL the oil is so spread, and is so equally distributed.* There is no doubt as to the completeness of the spreading of this film. It is much more complete, thin, and uniform than in Towner No. 3 (the abandoned experiment found by this court to be the only infringement).

182,873.

Patented May 9, 1916

Fig. 1.

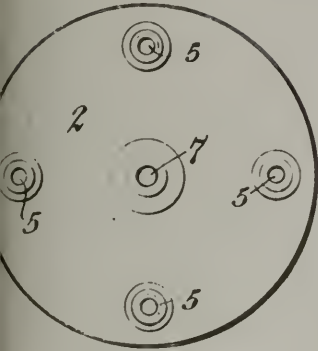


Fig. 3.

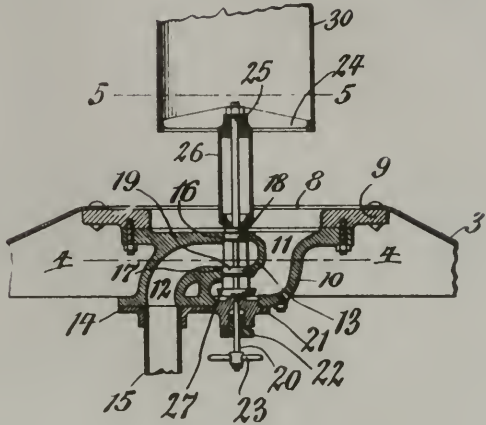


Fig. 2.

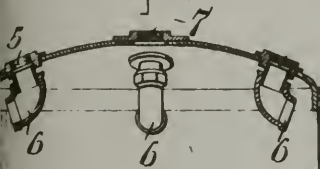


Fig. 4.

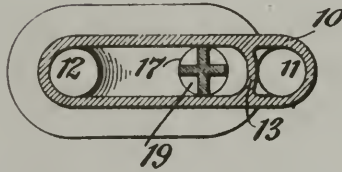
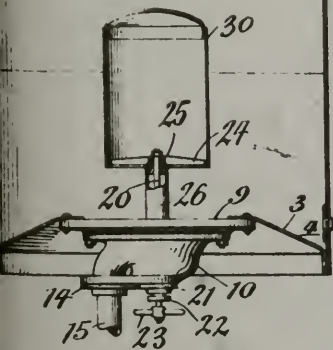
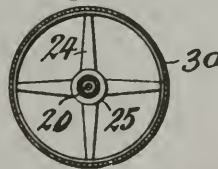


Fig. 5.



NESES

Charles E. Fisher
 Henry Faulstich

INVENTOR

Charles E. Fisher

BYeyer & Popp

ATTORNEYS

How can plaintiffs consistently contend that defendant infringes because it spreads all the oil on the wall of the separator, velocity being first reduced, without admitting that Fisher anticipates? This is new evidence, and, like the Newman patent, not considered by this court in its opinion in case No. 3495.

There Is No Utility in the Disclosure of the Trumble Patent Over the Prior Art. The Trumble Patent Was Procured by Deceiving the Patent Office Examiner.

The court will remember that in discussing the Bray patent Your Honors (290 Fed., beginning first paragraph page 58) pointed out that Trumble experienced “great difficulty in meeting the Bray disclosure, and the essence of the Trumble attempted differentiation was that Bray *had holes in the cones of the separator while the Trumble cones were imperforate.*”

Overlooking that Newman showed the equivalent of an imperforated cone, the Patent Office granted the patent to Trumble solely *for plugging the holes in Bray's cones*. Why did the Patent Office do this? Only because of the following argument on the Trumble application (these application proceedings are to be found page 36, Book of Exhibits, Case No. 3945):

“All of the references cited would cause a breaking up of the flowing body of oil, or agitation thereof, and result in the carrying away of the light volatile oils with the gas.

“In actual practice applicant has demonstrated that by the use of his separators the oil delivered therefrom has all of the light gasolines in permanent combination with the crude oil, such crude oil being from two

to three degrees lighter, according to the Baume scale, than oil which had been passed through other forms of separators. Affidavits to this effect will be furnished if the Examiner would care to have the same on file in this case.”

This representation is untrue and can easily be shown to be such. There is actually no advantage in the Trumble unperforated cones over those of Bray, not to speak of Fisher, Newman, Cooper, and others.

If such representation to the Patent Office was false and the patent was secured by such fraudulent misrepresentation and a simple, easily conducted test will so show, we urge Your Honors that before reversing the refusal of the trial court to apply the drastic remedy of injunction prior to a hearing on the merits, that we may have an opportunity which would be permitted if the case were regularly set for trial to demonstrate a want of utility in Trumble. We made the following offer to the court below:

“We have now in the yards of defendant corporation some of the numerous junked Trumble traps embodying this alleged marvelous invention of Trumble that the world had long looked for, which users were so anxious and willing to exchange for the extremely more efficient non-infringing traps of defendants’ manufacture, that they traded them in and paid an additional price to get away from this alleged Trumble invention and to get the advantage of the Lorraine inventions. We propose to set up one of these abandoned Trumble traps, plaintiffs to assure themselves that it is in proper working order. We shall then take another one of these abandoned Trumble traps and put holes through the cones as illustrated in the Bray patent. Then let a test be made by running each of the traps under identical conditions. We maintain that the trap with the holes through the cones will produce the same quality of oil as the trap without the holes, and that there will be

no difference in the quality of the oil separated. If we are correct, *this is a clear demonstration that the Trumble patent was only granted by a misrepresentation as to utility over Bray.*"

DEFENDANT HAS NOT INFRINGED.

That the Two Devices Complained of Do Not Infringe Is so Clear That We Urge This Court on Affirmance of the Order Appealed From to Direct a Dismissal of This Suit.

There is nothing in defendant's devices at all analogous to the conical spreader of the Trumble patent. The Trumble cone performs three functions: (1) It checks the velocity of the incoming oil; (2) it spreads the oil thinly over its own extended surfaces; and (3) it conveys the oil to the wall of the separator, theoretically, at least, equally at all points, thus continuing the film from the apex of the cone to the oil pool.

Out of the six devices, all of quite similar construction, defendant has selected only two upon which to base the present charge, the remaining four being thus admitted not to be infringements. There is no element in these two devices completely performing the functions of the conical spreader of Trumble] neither is there anything in Trumble at all analogous to the spirally arranged extension of the inlet pipe of defendant's two devices in question. The spiral extension performs the function of reducing the velocity of the incoming oil before it enters the expansion chamber instead of after it enters as in the case of Trumble, and it performs this function in quite a different manner from the Trumble conical spreader.

No comparison between the Trumble device and those of defendant's charged to infringe is pertinent until the oil has passed the inlet orifice into the expansion chamber of

the separator. In Trumble immediately upon entry into the expansion chamber its velocity is reduced by being spread upon the apex of a cone; in defendant's devices it enters the expansion chamber in a solid wedge-like stream partly striking only one of the walls and partly falling to the bottom without being spread. Such mode of operation was in this court's opinion (290 Fed., about two-thirds down page 59) expressly excluded as an infringement of the Trumble patent in the following words:

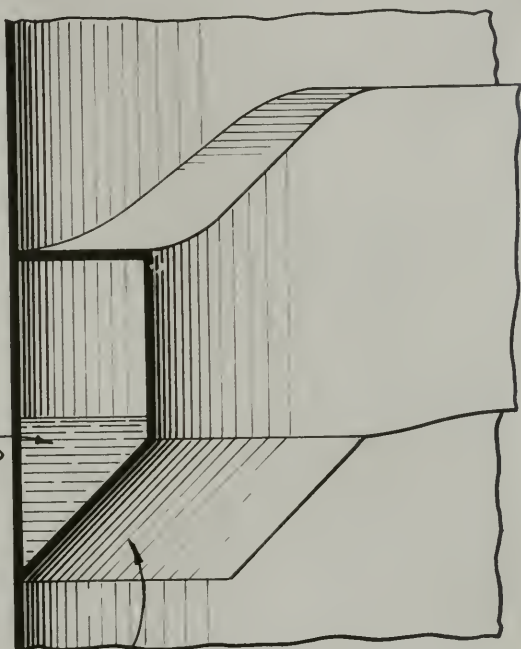
"The claims are to be read only upon an apparatus by which substantially the whole body of the oil is spread as a film or thin sheet on a backing wall and is not in the course of the process of separation broken up by any means into drops or streamlets."

From our consideration of the prior art, particularly Cooper and Fisher, where the oil is admittedly or clearly all directed in a thin film to the side wall down which it flows, it is quite apparent that the foregoing language of this court cannot be wrenched from its setting and used literally as a measure by which to determine the question of infringement; for it *literally reads upon both Fisher and Cooper*; and anticipation must be found unless we have the further limitation which we believe is clearly implied in this court's opinion, particularly in finding Towner No. 3 infringement, that the oil must be spread first on an inclined or conical surface and then upon the side wall—that there must be this double spreading.

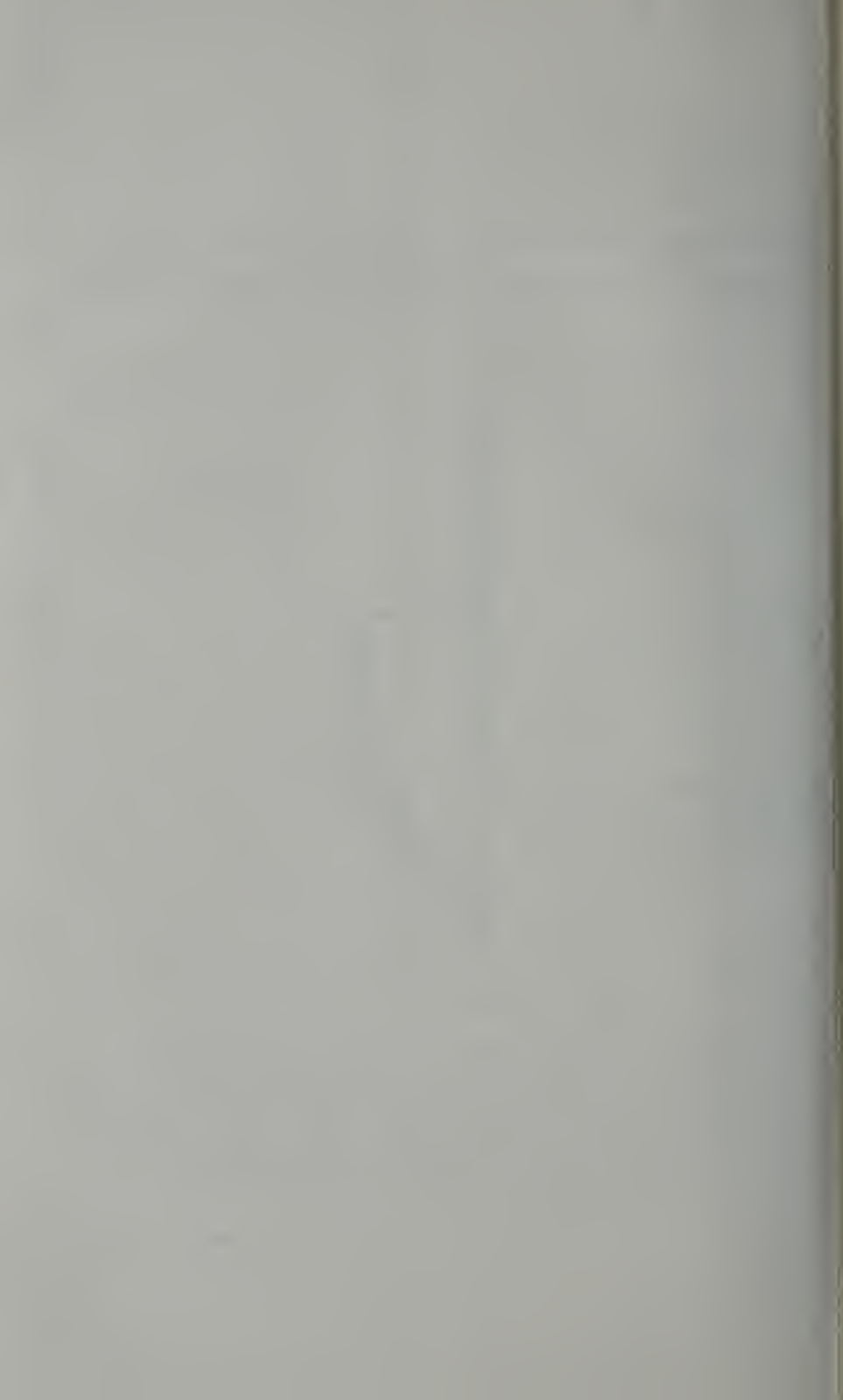
What happens while the oil is still in the spiral inlet extension of defendant's devices is not material for it has then not reached the expansion chamber; nor is it spread in any film while in such passage. The following illustration will clearly illustrate the lack of filming while in the inlet passage or just before it is discharged into the expansion chamber.

*Defendant's Construction Charged to Infringe.
Models A-5 and A-6 — Affidavit of William McGraw*

Oil not in a film but in a solid wedge shaped stream



This inclined bottom of the oil inlet trough is not a spreader plate but simply forms a pocket into which the oil collects before being allowed to flow out over the wall of the separator.

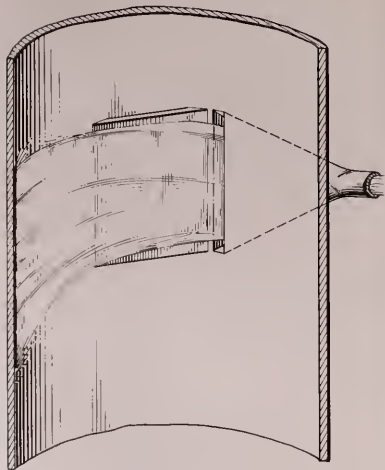


The filming (as decided by this court 290 Fed., one-third down page 57) is very complete in Cooper because of the slot-like nozzle at the end of the inlet pipe by which the oil is directed to the wall of the Cooper trap. There is no such nozzle in defendant's devices charged to infringe: the oil reaches the expansion chamber through a broad opening with a wedge-shaped bottom, which directs the oil partially on the wall and partially to the bottom of the separator in a solid heavy stream, and any filming which may result by striking the wall is obviously merely incidental. Cooper is clearly, under plaintiff's present theory of infringement, much closer than defendant's devices charged to infringe. We urge that defendant cannot be found to infringe without finding that Cooper anticipates. *Plaintiffs have obliterated every possible difference from the prior art by which the shadow of validity of the Trumble patent was sustained by their present contentions as to infringement in the case at bar.* The following illustration comparing defendant's devices charged to infringe with Cooper, we present as conclusive:

COOPER N° 815,407

Book of Exhibits

Case N° 3945-Pg.133.

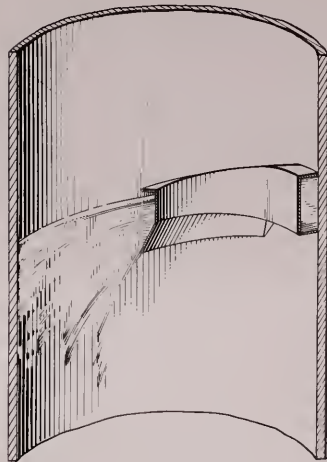


ALL OIL IS SPREAD ON WALL

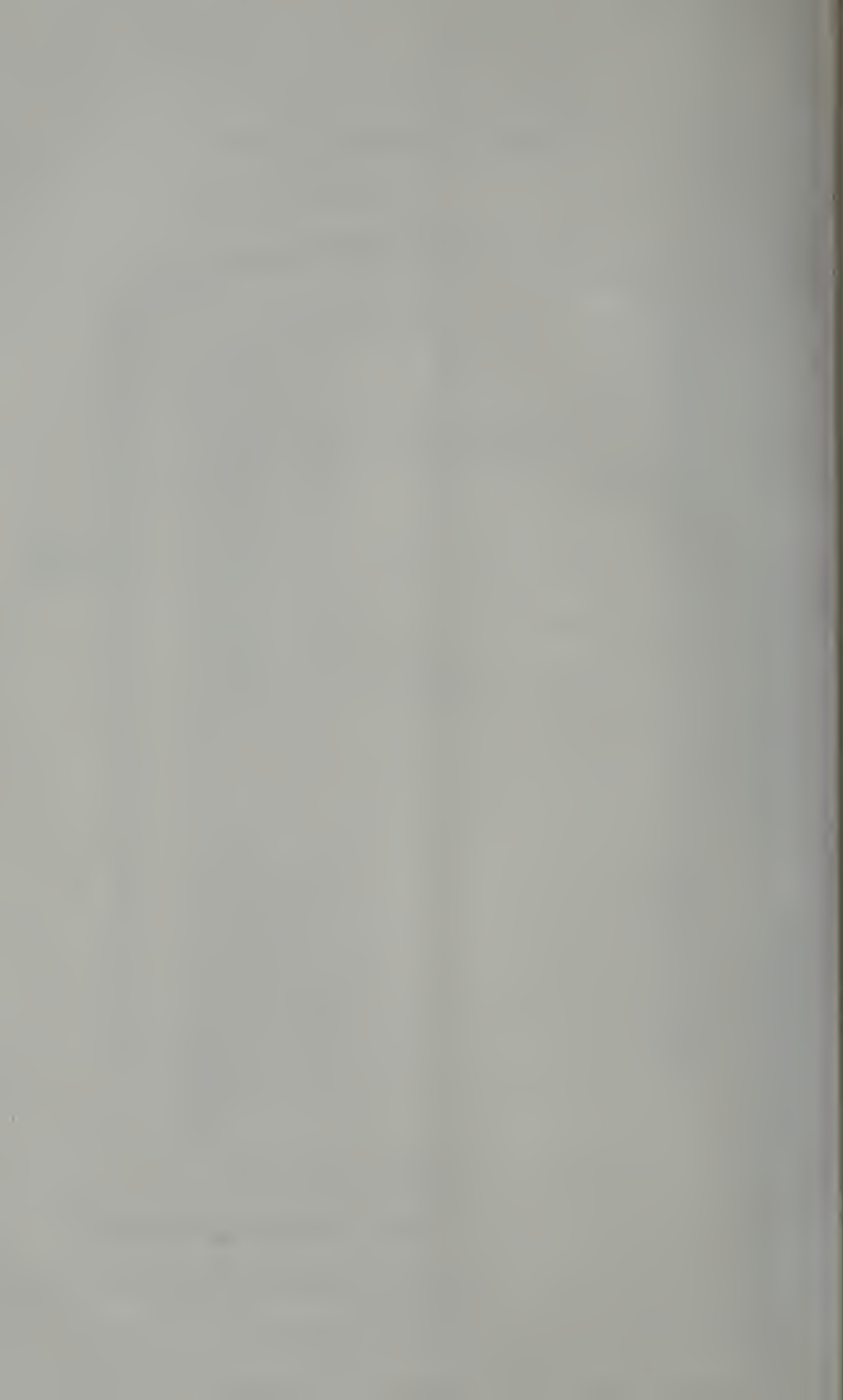
See discussion 290 Federal Report
begining 1st paragraph pg.57. Only difference
between alleged infringement is that oil inlet
pipe is not extended on inside of separator.

Alleged Infringement in Case at Bar

Filming on the wall is not as complete
as in COOPER.



Oil comes in a solid stream. The filming
is much less complete than in COOPER.



We submit on this issue that the conclusion of Judge James in his opinion [R. 146, bottom of page] is correct:

“In my opinion the apparatus is not reasonably an equivalent of Trumble’s use of oil spreading baffle plates. I think to hold differently would be to allow a claim for the broadest kind of equivalents far beyond that permitted by a fair interpretation of the decision of the Circuit Court of Appeals.”

The logic of ordering a dismissal of the bill on affirmance of the order appealed from, and of thus saving the parties to this suit the expense of further litigation, in view of the circumstances above outlined, we believe to be obvious. However, we submit the following authorities:

In *Victor Talking Machine Co. v. Starr Piano Co.* (C. C. A., 2nd Circuit), 263 Fed. 82, it was held:

“The Circuit Court of Appeals, on an appeal from an order granting or denying an injunction in a patent infringement suit, is not confined to a review of the denial of the injunction, but may decide the case on the merits.”

In *Co-operating Merchants’ Co. v. Hallock et al.* (C. C. A., 6th Circuit), 128 Fed. 596, it was held:

“Where it appears from the record on appeal from an interlocutory order granting a preliminary injunction, that the question of the validity of the patent involved is so fully presented that no amendment of the bill and no additional evidence could change or affect the final result, the court may order a dismissal of the bill.”

In *Bell & Howell Co. v. Bliss* (C. C. A., 7th Circuit), 262 Fed. 131, the court decided:

“An appellate court has power on a proper showing to direct dismissal of a bill, on an appeal from an order granting a preliminary injunction.”

The license to the defendant corporation is entirely impertinent to any issue in the present controversy. This license covers, not two forms of traps as suggested in appellants' brief (page 13, line 1), but only one form, namely, that known in prior proceedings as Lorraine Model 16, counsel apparently being confused by the several figures of the drawings. Tanner No. 3 was a failure: Why take a license to repeat the failure.

This Model 16 was held by Judge Bledsoe, as we have seen, not to be an infringement even of the decree of Judge Wolverton before reversal.

The license does not require defendant corporation to make this Model 16 form of trap to the exclusion of other forms, in fact, there is no provision in the license agreement requiring the Lorraine Corporation to make a single device of the kind licensed. No royalty is provided for; and there was in fact no real or substantial consideration for the agreement. On a suit on the license we earnestly believe it would be declared void.

If a defendant, under a license, refused to pay royalty on devices manufactured and sold by it coming within the terms of the license, and suit were brought to recover such royalties, the law estopping licensee from denying validity might apply—and probably would apply if the license were a valid one, and not a mere subterfuge without consideration, by which, by covering devices which the court had previously found did not come within the scope of the patent, was obviously intended to be used by plaintiff in fraud upon the public.

Model 16 was found by Judge Bledsoe's decree *not to be an infringement of the patent in suit even as that patent had been construed by the decision of Judge Wolverton before reversal.*

The oil in this Model 16 falls through a screen and certainly, under the very decree which counsel invokes in the case at bar, could not be an infringement, because none of the oil is spread in any film whatsoever, the whole body of the oil falling in a great many streamlets to the oil pool below. This will be apparent from an examination of the drawings attached to the license as exhibits to the complaint.

We do not believe the law of estoppel would, under the peculiar circumstances of the giving of this license, have precluded defendant corporation, even in a suit on the license (if such were possible), from setting up as a defense that the license was void as being contrary to public policy—and also from relying upon the defense that the patent was void as covering Model 16 as well as for other reasons. But there is no provision in the license agreement to prevent licensee from making other forms of traps; and defendant in the case at bar has made such other forms not even pretended to be within the scope of the license. There is no principle of estoppel at all applicable.

It is not true, as stated in plaintiffs' brief near the bottom of page 6, that Judge Bledsoe decided on contempt proceedings that there was any substantial or other question whatsoever as to infringement of the Trumble patent by Model 16. All the court decided on such proceedings was that its manufacture and sale was not a violation of the injunction entered by Judge Wolverton. The court

expressly declined to decide whether the device was an infringement of the patent as construed by the Circuit Court of Appeals, such question not being within the issue. Judge Bledsoe said:

“Without indicating any opinion as to whether or not Model 16 is an infringement of the patent as construed by the Circuit Court of Appeals, 290 Federal 54, at page 59, I am constrained to hold that it was not a violation of the injunction of Judge Wolverton, and that therefore the proceedings in contempt should be dismissed.”

In conclusion we urge that no court ever exercised a dangerous discretionary power more wisely than did Judge James in the entry of the order appealed from.

We submit that the order appealed from should be affirmed with costs and that this court should direct the dismissal of the bill at costs of plaintiffs.

Respectfully,

WESTALL AND WALLACE,

By JOSEPH F. WESTALL,

Attorneys for Appellee.